

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

In re Application of  
**Cunningham et al.**

Serial No.: **10/098,700**

Filed: **March 15, 2002**

For: **Method of Delivering Goods and Services  
Via Media Related Applications**

Attorney's Docket No: **4000-007**

)  
) Patent Pending

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) Examiner: Russell S. Glass

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) Group Art Unit: 3626

)  
) Confirmation No.: 6945

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**APPEAL BRIEF**

**(I.) REAL PARTY IN INTEREST**

The real party in interest is TrialCard Incorporated.

**(II.) RELATED APPEALS AND INTERFERENCES**

There are no related appeals or interferences.

**(III.) STATUS OF CLAIMS**

Claims 15-19, 54, 55 and 64-72 stand rejected and are appealed herein. Claims 1-14, 20-53 and 56-63 have been canceled. There are no other claims in the case.

**(IV.) STATUS OF AMENDMENTS**

All amendments have been entered.

**(V.) SUMMARY OF CLAIMED SUBJECT MATTER**

Claim 15 provides a method of promoting goods and services. The method comprises issuing media in which each medium has at least one good or service associated therewith as described on page 22, lines 8-10, and illustrated in Figure 14 (Block 600). Additionally, the method includes the step of identifying each medium with an identifier and recording the identifier in a database such that the at least one good or service associated with each medium can be determined as discussed on page 26, 5-13 and illustrated in Figure 14 (Block 600). The same passage also describes the additional steps of the method: assigning an inactive status to the media such that while assuming the inactive status the goods or services associated with the medium may not be redeemed and recording the inactive status in a database. The method step of activating at least some of the media by changing the status of the media from an inactive state to an active state and recording the change of the status in the database is discussed on page 26, line 19 – page 27, line 2 and illustrated in Figure 14 (Block 604). Varying the value of at least some of the media such that the value of the media varies according to selected conditions is also included in the method as described on page 28, line 18 – page 29, line 15; and illustrated in Figure 12 (Block 546). The method also includes distributing the

media to holders wherein the holders present the media to providers that deliver the goods or services associated with the presented media to the holders as discussed on page 25, line 6 – page 26, line 1, and as illustrated in Figures 9 and 10.

Claim 66 provides a method of promoting goods and services. The method comprises issuing media in which each medium has at least one good or service associated therewith as described on page 22, lines 8-10, and illustrated in Figure 14 (Block 600). Additionally, the method includes the step of identifying each medium with an identifier and recording the identifier in a database such that the at least one good or service associated with each medium can be determined as discussed on page 26, 5-13 and illustrated in Figure 14 (Block 600). The same passage also describes the additional steps of the method: assigning an inactive status to the media such that while assuming the inactive status the goods or services associated with the media may not be redeemed and recording the inactive status in a database. The method step of activating at least some of the media by changing the status of the media from an inactive state to an active state and recording the change of the status in the database is discussed on page 26, line 19 – page 27, line 2 and illustrated in Figure 14 (Block 604). Varying the value each medium such that the value of the medium varies according to selected conditions is also included in the method as described on page 28, line 18 – page 29, line 15; and illustrated in Figure 12 (Block 546). The method also includes distributing the media to holders wherein the holders present the media to providers that deliver the goods or services associated with the presented media to the holders as discussed on page 25, line 6 – page 26, line 1, and as illustrated in Figures 9 and 10.

#### **(VI.) GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL**

Whether claims 15-19, 54, 55 and 64-72 are unpatentable because of obviousness-type double patenting over claims 1-30 of (U.S. 5,832,449) in view of Deaton et al., (U.S. 5,644,723).

Whether claims 15-19, 54, 55, and 64-72 are anticipated under 35 U.S.C. §102(e) by  
Deaton et al.

## **(VII.) ARGUMENT**

### **A. Claims 15-19, 54, 55, 64-72 are Not Anticipated by Deaton**

Claim 15 and 66 are as follows:

15. A method of promoting goods and services, comprising:  
issuing media in which each medium has at least one good or service associated therewith;  
identifying each medium with an identifier and recording the identifier in a database such that the at least one good or service associated with each medium can be determined;  
assigning an inactive status to the media such that while assuming the inactive status the goods or services associated with the medium may not be redeemed;  
recording the inactive status in a database;  
activating at least some of the media by changing the status of the media from an inactive state to an active state and recording the change of the status in the database;  
varying the value of at least some of the media such that the value of the media varies according to selected conditions; and  
distributing the media to holders wherein the holders present the media to providers that deliver the goods or services associated with the presented media to the holders.
66. A method of promoting goods and services, comprising:  
issuing media in which each medium has at least one good or service associated therewith;  
identifying each medium with an identifier and recording the identifier in a database such that the at least one good or service associated with each medium can be determined;  
assigning an inactive status to the media such that while assuming the inactive status the goods or services associated with the media may not be redeemed;  
recording the inactive status in a database;  
activating at least some of the media by changing the status of the media from an inactive state to an active state and recording the change of the status in the database;

varying the value of each medium such that the value of  
the medium varies according to selected conditions;  
and  
distributing the media to holders wherein the holders  
present the media to providers that deliver the goods or  
services associated with the presented media to the  
holders.

As reflected in claims 15 and 66, Applicants' invention is a method of promoting goods or services wherein a medium is issued and wherein each medium has a good or service associated with it. An identifier is given each medium and recorded in a database such that the good or service associated with each medium can be determined. The method includes assigning an inactive status to each medium such that the good or service associated with that medium cannot be redeemed. The method entails recording the inactive status in a database. Then the method includes activating at least some of the media by changing the status from an inactive state to an active state, and recording the change of the status in the database. After changing the status from inactive to active state, then the method entails varying the value of each medium such that the value of the medium varies according to selected conditions. Finally, the method entails distributing the medium to a holder that presents the medium to a provider that delivers the goods or services associated with the medium to the holder.

**1. The coupons of Deaton are always active and never assume an inactive state**

The Examiner maintains that Deaton discloses coupons that are assigned inactive status and which cannot be redeemed. Respectfully, that is not the case. In Deaton, coupons are issued to a customer at a point of sale based on the customer's past purchasing history. Nothing in Deaton suggests that the coupons ever assume an inactive state. The thrust of the Deaton disclosure is to encourage customers to use the coupons as quickly as possible. Indeed, the promotion in Deaton is deemed effective if the coupons are redeemed within a selected time period. See Claim 13 of Deaton.

The Examiner points to Figure 6A and column 31, lines 60-66 of Deaton to support the position that the Deaton coupons are assigned inactive status where they cannot be redeemed. However, these portions of the Deaton disclosure have nothing to do with the status of the coupons in Deaton. Rather, these portions of the Deaton disclosure relate to assigning a status to the customer's record, or more particularly, to the customer's credit record. Deaton provides as follows:

The type of customer information transferred by the global update function is based on store management policies. The recommended approach to exchanging global customer information is as follows:

- (a) Negative Status Records - All NEGATIVE status records (NEGATIVE or CASH ONLY status) accessed (created or updated) since the last transfer; and
- (b) Customer Records - All customer records with status value CAUTION, NEGATIVE, CASH ONLY and STOLEN accessed (created or updated) since the last file transfer;
- (c) POSITIVE status records (even those designated MANAGER ONLY) are not recommended for global transfer.

As a result, the local customer database contains negative status records (including NEGATIVE and CASH ONLY status and BAD Frequency/\$Amount) for all store locations (although each remote system only transfers to the host the negative status records for its locations.

Deaton et al. col. 31, ll. 7-26.

This portion of the Deaton disclosure indicates the credit risk of the customer. It has nothing to do with the coupons that might ultimately be issued at the point of sale to a customer. Once the Deaton system or process decides to issue a coupon, that coupon is issued in an active state, meaning that it is immediately redeemable and nothing has to be done by the customer or anyone to activate the coupon so that it can be redeemed.

## **2. Deaton does not record an inactive state of the coupons in a database**

It follows, of course, that if the Deaton coupons are never inactive, there can be no recording of an inactive status in a database. Nowhere in the Deaton disclosure does it suggest

or teach that the coupons ever have an inactive state and that the inactive state is recorded in a database. Again, this is a specific element of Applicants' claims and there is no evidence to support the position that Deaton discloses this element.

The Examiner points to column 31, lines 60-66 of Deaton. This information relates to credit risk of the customer, and information relating to the customer's credit is recorded in a database. However again, this only relates to the credit history of the customer, and has nothing whatsoever to do with coupons that might be issued to a customer after the customer has purchased goods or services.

**3. Deaton does not teach activating a medium by changing its status from an inactive state to an active state**

Again, the Deaton coupons are issued in an active state. That is, from the moment a customer is given a coupon at a point of sale, the coupon is redeemable. Thus, the Deaton coupons are always active. The portions of the Deaton disclosure referred to by the Examiner, Figure 6A, col. 5, lines 9-24 and col. 31, lines 60-66, have nothing whatsoever to do with changing the status of the Deaton coupons. As discussed above, the status of the coupons themselves, once issued at the point of sale, are always active.

**4. The value of a Deaton coupon does not vary and does not change value according to selected conditions**

Claims 15 and 66 include the limitation of varying the value of a medium such that the value varies according to selected conditions. In particular, claim 66 for example recites: "varying the value of each medium such that the value of the medium varies according to select conditions."

**i. The Examiner refuses to construe the varying value element of the claims or if construed, refuses to disclose the construction to Applicants**

Applicants do not know if the Examiner construed this element of claims 15 and 66. If the Examiner did in fact engage in a claim construction for this element of the claims, then Applicants do not know what claim construction the Examiner arrived at.

This deficiency in the Patent Office's anticipation analysis was observed by the Applicants in responding to the first office action. In Applicants' response of November 27, 2006, Applicants brought to the Examiner's attention that it did not appear that the Examiner had engaged in a claim construction analysis for the various disputed claim terms. At pages 9 and 10 of this response, Applicants' requested the Examiner to provide an explicit construction of the various disputed claim terms including the varying value element discussed here. The Patent Office refuses to provide any such construction, or ignores the request. This, in itself, as discussed later herein, is sufficient basis to reverse the Examiner's anticipation rejections.

In any event, there appears to be no claim construction analysis of the varying value element of claims 15 and 66. Nowhere in the record does it appear that the Examiner considered the plain and customary meaning of the terms constituting the varying value element. Not only has the Examiner failed to consider the plain and ordinary meaning of the claim terms, the Examiner has not looked at Applicant's specification to determine if the construction given is consistent with the specification. Nowhere has the Examiner referred to passages of the specification, including the drawings, in maintaining that the construction given is consistent therewith. In addition, the Examiner has failed to consider how a person of ordinary skill in the art would construe the terms in light of the specification. In short, there has been no claim construction analysis of this term. No anticipation rejection can stand in the absence of a well thought out and reasoned claim construction analysis.



A proper construction of the varying value element of claims 15 and 66 is fairly straight forward. Properly construed, this element of the claim means that the medium itself, after it is created or issued, varies in value where varying the value depends on various conditions. That is, after issuance, the value of the medium is not fixed, but varies according to certain conditions.

This is consistent with the plain and ordinary meaning of the claim terms. In claim 66 for example, the claim recites “varying the value of each medium.....according to selected conditions.” That is, each medium after being issued can assume various values depending upon certain conditions. That is, the value of the medium after issuance is not fixed. This is consistent with the specification. The entire thrust of the claims of the present application is about issuing a medium, such as a card, that is associated with a good or service, and permitting the value of the medium to vary depending on selected conditions.

This is illustrated in the text of Applicants’ application and in Figure 15A for example. See Figure 15A produced below.

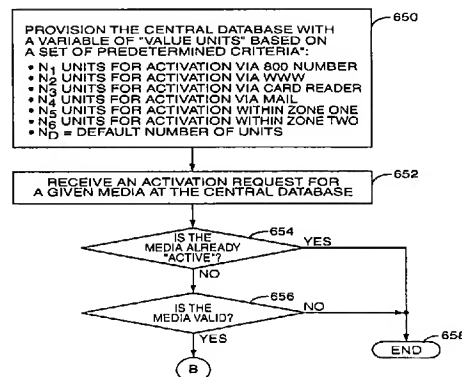


FIG. 15A

Here the medium can assume many different values,  $N_1, N_2, \dots, N_D$ . The varying values depend on selected activation conditions. For example, if activated via an 800 number, the medium assumes the value of  $N_1$  units. If activated via mail, the medium assumes a value of  $N_4$  units, and so forth and so on.

In Deaton the coupons have a fixed value. There is a difference between a fixed value medium and a variable value medium. This is actually explained in Applicants' specification. The present application is a continuation-in-part of a series of parent applications, one of which issued as U.S. Patent No. 5,832,449 (the '449 patent). The Applicants in the present application specifically noted that the medium disclosed in the parent applications had a fixed value - not a variable value. In particular, the present application provides:

Initially, the process assigns media units to location, companies, people, groups, or the like (block 500). This may be done by assigning batches of media to a particular assignee or by assigning a single medium to a particular assignee. The media are subsequently activated (block 502). This may be a fixed activation or a variable activation as is explained in greater detail below. The media assumes a value (block 504). Financial rules are put in place that govern the use of the media. This may be a fixed value, wherein the media only has one value and assumes this fixed value upon activation as described in the parent applications and above; or may be a variable value, wherein the media assumes different values based on predetermined business rules, selected criteria, or other selected circumstances, conditions, or occurrences. (emphasis added).

Spec., p. 23, lines 1-9.

**ii. The Examiner's position with respect to "varying the value of the medium" is unsupported**

In support of the position that Deaton teaches this element of Applicants' invention, the Examiner points to Deaton, col. 106, lines 25-54. This portion of Deaton does not support the proposition that a Deaton coupon varies in value according to selected conditions. This entire section of Deaton is simply a test conducted by a store to determine the effectiveness of different coupons. One coupon was issued with a \$1 redemption value. Another coupon was issued with a \$2 redemption value. Still, another coupon was issued with

a \$3 redemption value, and so forth and so on. The reason for the test was to determine which coupon customers responded to best.

Each coupon of the test has a fixed value. Its value does not change. A \$1 off coupon that is issued remains a \$1 coupon until it is redeemed. This is not a case where a coupon is first issued with a value of \$1, and then over time, based on selected conditions, the value of the coupon changes to say, \$3 for example.

Again, from reading the Deaton disclosure in detail, the entire thrust of the disclosure in the area of the coupon disclosure, is directed to issuing fixed value coupons at the point of sale based on the customer's past purchasing history.

**5. Claims 16 and 67 are not anticipated by Deaton**

Claims 16 and 67 further limit the claims to varying the value of each medium based on the manner of activation, the location of the provider, or the identity of the holder or provider. The Examiner points to Deaton, column 4, lines 44-66 and column 106, lines 25-54. The Examiner simply cites to these portions of Deaton, but provides no explanation. These portions of Deaton have nothing to do with the "selected conditions" which cause the value of a coupon to vary. For example, Deaton at column 4, lines 44-46 discusses using a customer's financial instrument account number, such as a check, credit card, etc. as a unique customer identifier. This obviously has nothing to do with the claimed subject matter.

Example 1, Deaton, at column 106, lines 25-54 has nothing to do with varying the value of a medium based on manner of activation, location of the provider, or the identity of the holder or provider. Example 1 arbitrarily makes group 1 coupons possess a \$1 redemption value, group 2 coupons with a \$2 redemption value, etc. Again, these values never vary.

**6. Claims 17 and 68 are not anticipated by Deaton**

Claims 17 and 68 include the limitation of the database being consulted at various times to determine whether a certain media is active or inactive. There is no support for Deaton teaching this limitation. As noted above, the Deaton coupons are never inactive. Nowhere in Deaton does Deaton suggest consulting a database to determine whether the coupons are active or inactive. There is no reason to do so.

**7. Claims 18 and 69 are not anticipated by Deaton**

Claims 18 and 69 include the additional limitation of updating the database from time-to-time with respect to the status of a medium and the value associated with the medium. That is, as the value of a medium varies, the database is updated to reflect the change in value. Again, Deaton's coupons after issuance never change in value. A \$1 coupon remains a \$1 coupon until it is redeemed. The support cited by the Examiner does not teach this limitation. In column 5, lines 9-14, the Deaton disclosure only suggests updating the customer database regularly to reflect new customer information. Again, this information relates to the customer and not to the coupon. Basically, the credit history of the customer is updated.

**8. Claims 19 and 70 are not anticipated by Deaton.**

Claim 70 includes the limitation of communicatively linking the provider to the database and determining whether a presented medium is active or inactive, and further communicating the identity of a good or service delivered to the holder for recordation in the database as a result of the medium being presented to the provider.

The cited support for this in Deaton is not present. Again, in Deaton the database may be communicated with, but the information communicated to the database is about the customer, not about the status of the coupon or the good or service delivered to a holder as a result of presenting the coupon.

**9. Claims 64 and 71 are not anticipated by Deaton**

Claim 71, for example, includes the limitation of deactivating a media upon the occurrence of one or more conditions. There is no deactivation step disclosed in the Deaton disclosure. The Examiner cites Figure 6A. There is no reference to a coupon in Figure 6A, and no reference to a deactivation step with respect to the coupon in Figure 6A. Figure 6A relates to the credit history or credit standing of a customer. The same holds true for column 31, lines 60-66. As explained herein, the update relates to the customer database.

**10. Claims 65 and 72 are not anticipated by Deaton**

Claims 65 and 72 include the limitation of reactivating a medium after the medium has been deactivated.

Without question, the Deaton coupon is never reactivated. This limitation, of course, implies at least that the coupon was active and at a subsequent time becomes inactive and that the same coupon is reactivated. The Examiner points to Figure 6A; col. 31, lines 60-66; and col. 32, lines 14-16. Again, all of these disclosures relate to the customer record, and more particularly to his or her credit history or credit standing. These disclosures have nothing whatsoever to do with a coupon that is issued at a point of sale. Certainly, these disclosures do not teach a coupon being active and then becoming inactive, and then being reactivated by the system or process.

**B. Claims 15-19, 54, 55 and 64-72 are Not Unpatentable on the Ground of Non Statutory Obviousness-Type Double Patenting Over Claims 1-30 of U.S. Patent No. 5,832,449 in View of Deaton**

In this case, the Examiner has rejected these claims on the ground of non statutory obviousness-type double patenting. The Examiner states that the claims are unpatentable in view of claims 1-30 of the '449 patent in view of Deaton.

**1. Applicants' claims are not full disclosed and covered by the '449 patent**

The Examiner first states: "[t]he subject matter claimed in instant application is fully disclosed in the patent and is covered by the patent since the patent and the application are claiming common subject matter....." First, it is immaterial what is disclosed in the '449 patent. An obviousness-type double patenting rejection cannot be based on what is disclosed in the '449 patent. Rather, it must be based on the claims of the '449 patent, that is claims 1-30. The Examiner's factual finding that Applicants' claimed invention in the present application is disclosed in the '449 patent is erroneous and immaterial.

In addition, if Applicants' claims in the present application were fully covered in the '449 patent, then the Board has to question why the Examiner has chosen to combine the Deaton patent. The reason is clear, the claims in the '449 patent do not cover the claimed subject matter of the present application and the Examiner has attempted to find the missing elements and limitations in the Deaton patent.

Ignoring the error relating to what is disclosed in the '449 patent, as opposed to what is claimed in the '449 patent, even the claims do not cover the subject matter being claimed in the present application. The Examiner simply concludes that the '449 patent covers "issuing media, identifying media with an identifier stored in a central database, associating the media with goods or services, activating and/or deactivating the status of the media, distributing the media, and presenting the media for redemption of goods or services." Final Office Action, pp. 2-3. That is not what is claimed in the present application.

The claims of the '449 patent do not describe "varying the value" of each medium such that the value of the medium varies according to selected conditions. This has been discussed extensively above. Furthermore, the claims of the '449 patent do not claim or describe varying the value of the medium based on the manner of activation, the location of the provider, or the identity of the holder or provider. See, for example, claims 16 and 67 of the present application.

These limitations are not addressed in the obviousness-type double patenting rejection. They are not found in the claims of the '449 patent, and they are not found even in the Deaton patent.

In an obviousness-type double patenting rejection, it is incumbent upon the Examiner to particularly point out how each and every limitation of the claims being considered is covered by the claims of the commonly owned patent. The Examiner has not done that here. The findings are cryptic, conclusionary, and particularly confusing. Obviousness-type double patenting cannot exist unless all limitations of the claims and their consideration are found in the claims of the commonly owned patent, or not patentably distinct therefrom.

**2. Deaton does not teach the missing limitations**

The Examiner appreciates that the '449 claims do not cover the subject matter being claimed herein. Because of this the Examiner attempts to combine Deaton maintaining that Deaton shows issuing active and inactive media, activating the media and recording the change of the status in the database, and varying the value of the media. Final Office Action, p. 3. This has been discussed extensively above. Deaton never issues an inactive coupon. Without a doubt, they are always issued in an active state. Deaton never varies the value of an issued coupon, nor does Deaton vary the value based on selected conditions. All coupons issued by Deaton are of a fixed value.

**3. The proffered motivation for combining Deaton is unsupported and legally insufficient**

The Examiner's entire motivation analysis is as follows:

It would have been obvious to one of ordinary skill in the art to combine U.S. 5,832,449 with Deaton. The motivation would have been to issue incentive coupons based upon activation signal, (Deaton, abstract).

Final Office Action, p. 3.

First, the proffered motivation is extremely cryptic and conclusionary. There is no analysis or technical reasoning involved.

However, the important point is that a person of ordinary skill in the art would not be motivated to utilize Deaton coupons in the '449 claims. After all the claims of the '449 patent are directed to the pharmaceutical sample products, sometimes referred to as pharmaceutical trial products. All of the claims in the '449 patent are restricted to pharmaceutical samples or trial products. They are free. They are the same sample pharmaceutical prescription products that a family physician occasionally gives to a patient where the family physician received the sample products from a pharmaceutical manufacturer and asked to distribute them to patients as a part of a promotion or advertising program for the pharmaceutical product. The claimed '449 method is much better than a \$1 or \$2 discount coupon. There is nothing to be served by utilizing the Deaton coupon with the pharmaceutical trial products claimed in the claims of the '449 patent.

This is a classical case of an attempt to reconstruct Applicant's invention through hindsight. A person of ordinary skill in the art understanding the claims of the '449 patent would not be motivated to utilize the Deaton coupons.

**C. The Board Should Hold That An Examiner Must Explicitly Construe a Disputed Claim Term When There is No Doubt That the Construction of the Claim Term is in Dispute and an Applicant Specifically Requests an Explicit Construction**

There is no doubt that the Examiner is obligated to construe a disputed claim term. *In re Zletz*, 893 F.2d 319, 321, 13 USPQ2d 1320, 1322 (Fed. Cir. 1989). There is no doubt that the Examiner can give the disputed claim term its broadest reasonable construction consistent with the specification and in harmony with how a person of ordinary skill in the art would construe the term. Further, it is apparent that, in some cases at least, the construction of a disputed claim term in patent prosecution can be broader than the construction given the same term in



litigation. All of this is well settled. What is not settled, however, is what is required in the form or mechanics of the Examiner's construction.

In some cases the examiner does not set forth an explicit construction. All that an applicant knows is that however the examiner construed the disputed claim term, the examiner's construction is broad enough to encompass something in the prior art. Rarely does the applicant know what construction the examiner arrived at before applying the prior art. In this case, even when requested to provide an explicit construction of a clearly disputed claim term, the Examiner refuses.

As best as Applicants can determine, this specific question has not been addressed by the Federal Circuit, this Board or the PTO. The Board is specifically requested to rule on the question:

If requested during prosecution, must the Examiner set forth an explicit construction for a claim term that is clearly in dispute?

In this case, in response to the first office action there were a number of claim construction issues. The Examiner was requested to provide an explicit construction of disputed claim terms including the claim terms relating to assigning an inactive status to the medium, activating at least some of the media, and varying the value of the medium. Applicants' Response Filed November 27, 2006, pp. 9 and 10. The Examiner has refused to explicitly construe any of these claim terms. Without any claim construction analysis, the Examiner has simply concluded that the claim terms in dispute are met by Deaton. Applicants have no way of knowing if the Examiner considered the plain and ordinary meaning of the terms as prescribed in §2111 of the MPEP, or if the plain and ordinary meanings were considered what they were. The Applicants have no way of knowing if the Examiner consulted the specification to determine if the construction given to these disputed claim terms were consistent with the specification, and in harmony with how a person of ordinary skill in the art would construe the terms. In short, the problem here is that Applicants cannot contest the

construction because Applicants do not know what the construction was. There is no way of knowing if the Examiner's construction - if a claim construction analysis was even performed - comports with the law of claim construction.

An applicant can guess or speculate as to the exact construction given a claim term by the examiner. But in most cases the possibilities are so numerous that guessing is a futile exercise. Not knowing what the construction really is, it is difficult for an applicant to traverse or rebut the construction. It is impossible to determine if the construction is based on the plain and ordinary meaning of the disputed term, or if the construction is consistent with the specification and how a person of ordinary skill in the art would construe the term in light of the specification.

*Ex parte* claim construction carried out in this manner cannot, in reality, be deemed claim construction. Disputed claim terms are not really construed. Typically, construction of a disputed claim term does not focus on the claim term itself and how it should be construed consistent with the specification. Rather, the focus is on the prior art being applied and whether the construction, whatever it may be, would encompass the prior art. Arguably, in reality, the construction is fluid and may change depending on what the examiner is attempting to encompass in the prior art. Likewise, the applicant not knowing what the examiner's construction is, often argues that no construction, no matter what it is, can encompass the prior art. Hence, the claim construction issue, which is so vital in patent law jurisprudence, is seldom squarely addressed in *ex parte* prosecution. Usually there is no universal construction made of record by the examiner that can be applied no matter what prior art is being analyzed.

Claim construction and its vital role in patent law is well settled, even in *ex parte* prosecution. The Examiner must interpret the claim language and determine the scope of disputed claim terms in accordance with established patent law. Only after having ascertained what the disputed claim terms mean should the Examiner consider the patentability of the claimed subject matter under 35 USC §§102 and 103. *In re Wilder*, 429 F.2d 447, 450, 166 USPQ 545, 548 (CCPA 1970) ("Once having ascertained exactly what subject matter is being

claimed, the next inquiry must be into whether the subject matter is novel.”). Requiring an explicit construction is not overly burdensome especially in view of the importance of claim construction.

Therefore, the issue comes down to whether the Examiner can satisfy the requirement of claim construction by refusing to divulge an explicit construction given a disputed claim term and simply communicate to the Applicant that a particular element identified in the prior art falls within the scope of the Examiner’s claim construction. Certainly, if the Examiner ascertained an explicit claim construction, there is no legitimate reason to hold that the Examiner does not have to disclose the construction. If, on the other hand, the Examiner has not arrived at an explicit construction for a disputed term, but is simply satisfied that the particular element in the prior art is encompassed by the claim construction, then that is equally problematic. It is problematic because the Examiner has not engaged in a proper claim construction.

Claim construction and the application of properly construed claims to the prior art has always been deemed two separate steps. That is, it is incumbent upon the Examiner to construe a disputed claim term prior to applying the construed patent term to the prior art. These two steps should not be performed simultaneously. Because of the vital role claim construction serves in *ex parte* prosecution, the Examiner should be required to construe a disputed claim term prior to applying the construction to the prior art. If the Examiner is permitted to conclude that the prior art is encompassed by the claim construction without having to divulge a claim construction, a number of undesirable practices are encouraged. First, it is difficult to ascertain if the Examiner separated the claim construction step from the step of applying the properly construed claim to the prior art. Secondly, it promotes a practice where the disputed claim term is not really construed, but where the Examiner concludes that whatever the claim construction should be, the prior art surely falls within the scope of that claim construction. This invites claim constructions that are wrong and unsupported.

In the end, refusing to explicitly construe a disputed claim term fosters uncertainty, makes patent prosecution expensive and is unfair to Applicants. Everyone is served by determining as early as possible what claim terms are in dispute and requiring an explicit claim construction.

As noted above, it is believed that this is an issue of first impression. The Board is urged to hold as a matter of law that an applicant is entitled to an explicit claim construction when it is determined clearly that a claim term is in dispute, and the applicant requests a specific claim construction. It matters not that the explicit claim construction may first come with a final rejection. After all, the applicant then knows the examiner's construction and has numerous options including requesting an interview to discuss the claim construction issue, filing an RCE application, or appealing the construction to the Board of Appeals.

### **Conclusion**

For the reasons set forth above, the Board is respectfully urged to reverse the Examiner's rejection on all grounds and to hold that claims 15-19, 54, 55 and 64-72 are patentable.

**(VIII.) CLAIMS APPENDIX**

15. A method of promoting goods and services, comprising:  
issuing media in which each medium has at least one good or service associated therewith;  
identifying each medium with an identifier and recording the identifier in a database such that the at least one good or service associated with each medium can be determined;  
assigning an inactive status to the media such that while assuming the inactive status the goods or services associated with the medium may not be redeemed;  
recording the inactive status in a database;  
activating at least some of the media by changing the status of the media from an inactive state to an active state and recording the change of the status in the database;  
varying the value of at least some of the media such that the value of the media varies according to selected conditions; and  
distributing the media to holders wherein the holders present the media to providers that deliver the goods or services associated with the presented media to the holders.
16. The method of claim 15 including varying the value of the media based on the manner of activation, the location of the provider, or the identity of the holder or provider.
17. The method of claim 15 wherein the database is consulted at various times to determine whether the media or a certain medium is active or inactive.

18. The method of claim 15 wherein the database is updated from time to time with respect to the status of a medium and the value associated with the medium.

19. The method of claim 18 including the provider communicatively linking to the database and determining whether a presented medium is active or inactive, and further communicating for recordation in the database any goods or services delivered to a holder as a result of the medium being presented to the provider.

54. The method of claim 50 wherein the database is provisioned with certain criteria that establishes variable value for the medium.

55. The method of claim 54 wherein the value of the medium is a function of the manner in which the medium is activated, the location of the provider, the identity of the provider, or the identity of the individuals presenting the medium.

64. The method of claim 15 including deactivating the media upon the occurrence of one or more conditions.

65. The method of claim 20 including reactivating the media after the media has media has been deactivated.

66. A method of promoting goods and services, comprising:  
issuing media in which each medium has at least one good or service associated  
therewith;

identifying each medium with an identifier and recording the identifier in a database such that the at least one good or service associated with each medium can be determined;

assigning an inactive status to the media such that while assuming the inactive status the goods or services associated with the media may not be redeemed;

recording the inactive status in a database;

activating at least some of the media by changing the status of the media from an inactive state to an active state and recording the change of the status in the database;

varying the value of each medium such that the value of the medium varies according to selected conditions; and

distributing the media to holders wherein the holders present the media to providers that deliver the goods or services associated with the presented media to the holders.

67. The method of claim 66 including varying the value of each medium based on the manner of activation, the location of the provider, or the identity of the holder or provider.

68. The method of claim 66 wherein the database is consulted at various times to determine whether a certain medium is active or inactive.

69. The method of claim 66 including updating the database from time to time with respect to the status of a medium and the value associated with the medium.

70. The method of claim 66 including communicatively linking the provider to the database and determining whether a presented medium is active or inactive, and further communicating

for recordation in the database the identity if a good or service delivered to the holder as a result of the medium being presented to the provider.

71. The method of claim 66 including deactivating the media upon the occurrence of one or more conditions.

72. The method of claim 66 including reactivating the media after the media has been deactivated.



**(IX.) EVIDENCE APPENDIX**

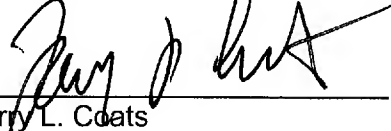
None.

**(X.) RELATED PROCEEDINGS APPENDIX**

There are no related proceedings.

Respectfully submitted,

COATS & BENNETT P.L.L.C.

A handwritten signature in black ink, appearing to read "Larry L. Coats", is written over a horizontal line.

Larry L. Coats

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Dated: July 23, 2007

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